

1999 Credit For Contributions to School Tuition Organizations

Arizona Form 323

Phone Numbers

If you have questions, please call one of the following help numbers:

Phoenix	(602) 255-3381
Nationwide, toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
Other Arizona areas, toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
Other Arizona areas, toll-free	(800) 397-0256

You may also visit our web site at:

www.revenue.state.az.us

General Instructions

For taxable years beginning on or after January 1, 1998, Arizona law provides a credit for contributions made to a school tuition organization that provides scholarships or grants to qualified schools. The credit is equal to the amount contributed, up to a maximum of \$500.

This credit is available only to individuals. Corporations may not claim this credit. A partnership may not pass the credit through to its partners. An S corporation may not pass the credit through to its shareholders.

A school tuition organization is an organization that meets all of the following.

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code.
- The organization allocates at least 90 percent of its annual revenue to scholarships or grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A qualified school is a nongovernmental primary or secondary school located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin. The primary school must begin with kindergarten and the secondary school must end with grade 12.

To determine if your contributions qualify for this credit, you should ask the organization if it meets all of the above requirements.

Your donation to the school tuition organization will not qualify for the credit if you designate the donation for the direct benefit of your dependent.

You cannot claim both a tax credit and an itemized deduction for the first \$500 of a contribution to a school tuition organization.

Before you claim this credit, make sure that the school tuition organization gave you a receipt for the contributions that you made. The receipt should show all of the following:

- the name and address of the school tuition organization
- the name of the taxpayer
- the taxpayer's social security number

- the amount paid
- the date paid

You may want to attach a copy of your receipt(s) to your return.

For more information on school tax credits, see the Arizona Department of Revenue brochure, Pub 707, *School Tax Credits*. To get a copy of this brochure, call one of the help numbers listed on this page of these instructions.

Line-by-Line Instructions

Lines 1a, 1b, and 1c -

Enter the name and address of the school tuition organization to which you made contributions. Also enter the amount contributed to the school tuition organization.

If you made contributions to 2 school tuition organizations, also complete line 1b.

If you made contributions to 3 or more school tuition organizations, complete an additional schedule. The schedule should show the same information required on line 1a for each of the additional school tuition organizations to which you made contributions.

Add the amount of contributions made to all school tuition organizations listed on lines 1a, 1b, and any additional schedule. Enter the total on line 1c.

Line 2 -

Enter the lesser of line 1c or \$500. This is your current year's credit.

Lines 3 through 8 – Carryover from Prior Taxable Years

Use lines 3 through 8 to figure your total available credit carryover. Complete lines 3 through 8 if you claimed the credit on a prior year return and the credit was more than your tax.

Enter the taxable year(s) from which you are carrying over the credit in column (a) on lines 3 through 7. In column (b), enter the credit originally computed for that taxable year. In column (c), enter the amount of the credit from that taxable year which you have already used. Subtract the amount in column (c) from the amount in column (b) and enter the difference in column (d). Add the amounts entered on lines 3 through 7 in column (d). Enter the total on line 8, column (d).

Lines 9 through 11 – Total Available Credit for 1999

Use lines 9 through 11 to figure your total available credit for 1999. Complete lines 9 through 11 as instructed on the form.

Also enter the total available credit from line 11 on Arizona Form 301, Part I, line 17.

Note: If you are married, and you and your spouse file a separate return, you may each take only one-half of the total credit that would otherwise be allowed on a joint return.